

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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AZ CORP COMMISSION
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Arizona Corporation Commission
April 15, 2016**DOCKETED**

APR 15 2016

RE: Johnson Utilities, LLC – Request to Extend Compliance Deadline
Docket No.: WS-02987A-06-0663

DOCKETED BY



Dear Arizona Corporation Commission:

On April 16, 2007, the Arizona Corporation Commission ("Commission") issued Decision No. 69414 approving the application of Johnson Utilities, LLC ("Johnson Utilities" or the "Company") for an extension of its certificate of convenience and necessity to include a development known as Skyview Farms. Subsequent decisions (No's. 71242, 72531 and 74156) granted extension of certain filing deadlines due to the slowdown in the residential real estate market.

As in the prior three requests for extension of the compliance deadline filed by Johnson Utilities, the Company hereby reports that the developer of Skyview Farms has further delayed the start of the project due to the slowdown in the residential real estate market. This slowdown continues to delay the need for obtaining the Approval to Construct for water facilities and the General Permit for wastewater facilities. However, the managing member of Skyview Farms has reaffirmed in a letter dated April 12, 2016, that the developer still desires water and wastewater services from Johnson Utilities when more favorable market conditions return. A copy of the Skyview Farms letter is attached hereto as Attachment 1.

The severe economic downturn that battered the Arizona real estate market has persisted and delayed the start of many planned residential developments, including Skyview Farms. However, residential market conditions appear to have stabilized in the Phoenix metropolitan area and the market outlook is improving. Johnson Utilities' own experience evidences a market improvement as the company is regularly establishing new service connections in its service area and developers are once again coming in to talk with the Company about near-future development activities.

Because the Skyview Farms development has been delayed, Johnson Utilities requests an additional ten-year extension of the of the current compliance deadline in this docket, through and including April 16, 2026. The Company reasonably believes there will be a need for water and wastewater services for the Skyview Farms development in the next ten years, and it would not be prudent use of the Commission's resources, the Company's resources, or the developer's resources to start over with a new application for a CC&N extension. The Company's request for an extension of the deadline for the remaining compliance items is reasonable in light of the circumstances in this case, and the Company respectfully requests that the Commission grant its request.

Optimism about future development has Johnson Utilities launching internal studies to determine water and wastewater infrastructure needs. The Company is in the data gathering stage now to allow it understand how the Company is likely to serve these future development projects.

RESPECTFULLY submitted this 15th day of April, 2016.



Brad Cole
Johnson Utilities, LLC
Chief Operating Officer

ORIGINAL and thirteen (13) copies of the
foregoing filed this 15th day of April, 2016, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered
this 15th day of April, 2016 to:

Dwight D. Nodes, Chief Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Thomas Broderick, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing sent via first class
mail this 15th day of April, 2016, to:

Mr. Nathan Anderson, General Counsel
LESUEUR INVESTMENTS VIII, L.L.C.
3850 East Baseline Road, Suite 114
Mesa, Arizona 85206

Attachment 1



LeSueur Investments

April 12, 2016

Mr. Brad Cole
Johnson Utilities
5230 E. Shea Boulevard
Scottsdale, AZ 85254

RE: Skyview Farms - Utility Service Request

Dear Mr. Cole,

I am writing in regards to the Skyview Farms project, an approximately 2,450 acre master planned community, located north and south of Arizona Farms Road in Florence, Arizona. With the significant slowdown in the residential real estate market, the development activities on Skyview Farms have been delayed. However, the ownership of Skyview Farms is still very much interested in obtaining water and wastewater services from Johnson Utilities (without any delays) when more favorable market conditions return. In addition to securing Water and Wastewater services, we have added additional properties to the overall master plan requiring an update to the Planned Unit Development plan. Please feel free to contact me if you have any additional questions or concerns at (480) 424-3400. We look forward to working with Johnson Utilities in the future.

Sincerely,

Ty LeSueur
Managing Member of Skyview Farms